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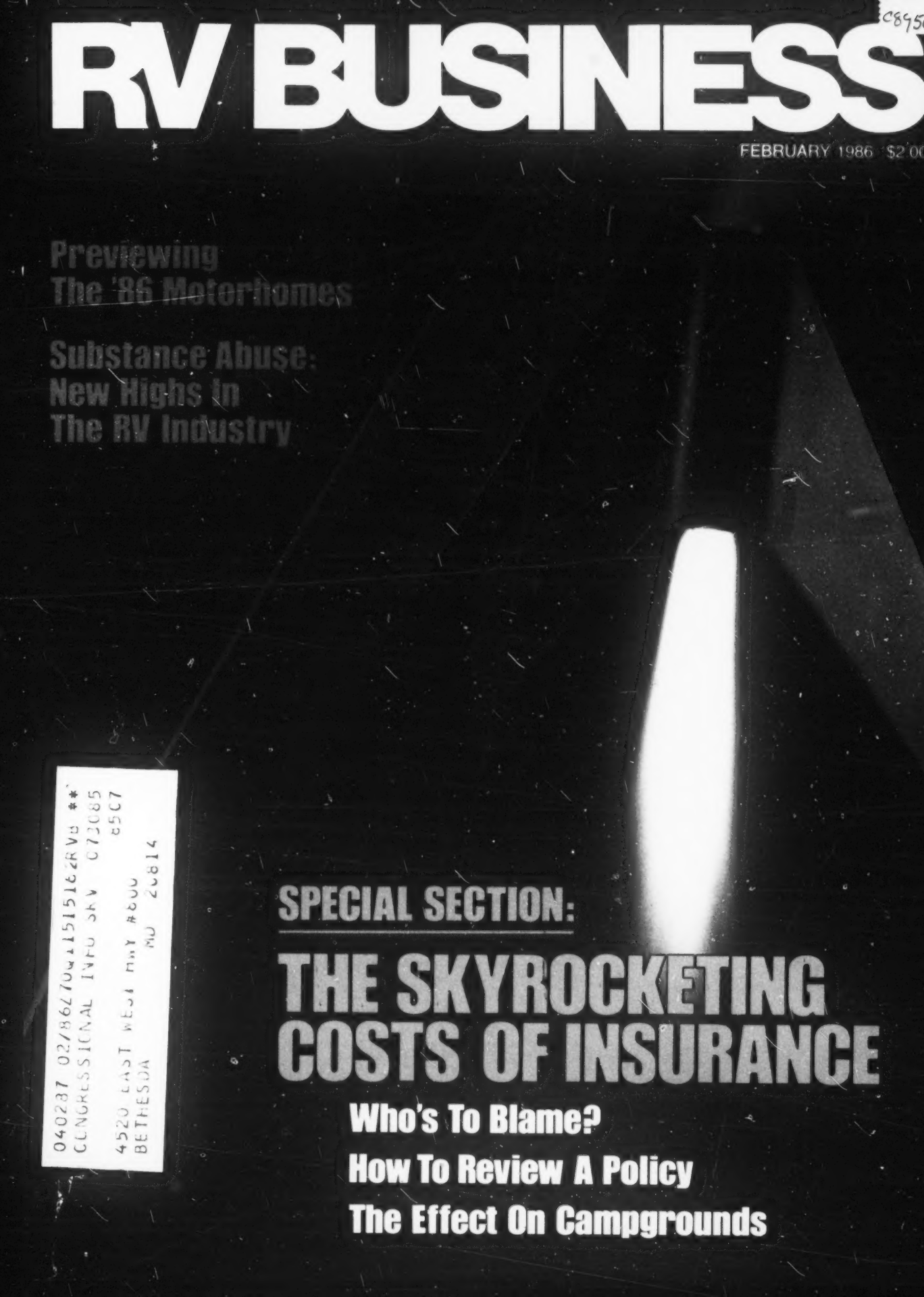
RV BUSINESS

FEBRUARY 1986 $2.00

Previewing
The '86 Motorhomes

Substance Abuse:
New Highs in
The RV Industry



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SPECIAL SECTION:

THE SKYROCKETING COSTS OF INSURANCE

Who's To Blame?

How To Review A Policy

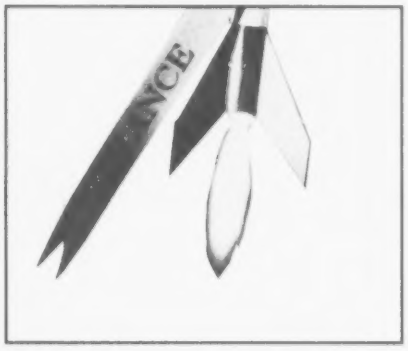
The Effect On Campgrounds

RV BUSINESS

CONTENTS

THE SKYROCKETING COSTS OF INSURANCE
Bob Longsdorf

For a variety of reasons, industrywide insurance rates are about to break through the outer limits of the financial stratosphere—and it may get worse before it gets better.



EVALUATING INSURANCE
Bob Honke

Being able to adequately evaluate existing or planned coverage is essential—and here's how.

CAMPGROUND INSURANCE
Beverly Edwards

Newly imposed ceilings on claims can leave campground owners vulnerable.

NEW HIGHS IN THE RV INDUSTRY
Lois M. Lawrence

Some RV companies have opened their eyes and are attacking drug and alcohol abuse head on!

THOSE MAGNIFICENT MOTORIZED MARVELS
Don Magary

Just when you wonder how they could get any better, along come the new-for-'86 motorhomes.

AD OF THE MONTH
Ben Sussman

The Coleman Company challenged the industry to a showdown with its Quick Draw campaign.

EDITORIAL
Michael Schneider

LETTERS

MAGARY
Don Magary

MAXWELL
Gaylord Maxwell

DETROIT
Ellis Trantor

WILMATH
Cliff Wilmath

RV PEOPLE

FISCALINE
John Thompson

PERSPECTIVE
Gaylord Maxwell

ASSOCIATIONS
Olga Markowitz

SHIPMENTS

GUESTVIEW
Steve Schumacher

INDUSTRY NEWS
Olga Markowitz

CALENDAR

CLASSIFIED ADS

BACK PAGE
Sheryl Harris Davis

ON THE COVER: In the past few months, the RV industry has been hit with skyrocketing insurance costs. The impact is so severe that many individual companies—be it manufacturer, dealer or campground—are wondering how much longer they can continue operating. Find out the situation's current status—and what it is likely to become—beginning on page 42. Photo: Hal Hunt.

Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	NOV '85	NOV '84	% CHANGE	1985	1984	% CHANGE	NOV '85	NOV '84	% CHANGE	1985	1984	% CHANGE
MOTORHOMES	73	87	−16%	1249	1234	+ 1	62	68	− 9%	931	1021	− 9%
TRAVEL TRAILERS	67	61	+10%	1001	1053	− 5%	60	66	−11%	930	987	− 6%
TRUCK CAMPERS	13	13	± 0%	200	187	+ 7%	11	11	± 0%	149	184	−19%
CAMPING TRAILERS	22	29	−24%	1533	1619	− 1%	8	15	−47%	370	308	+20%
FIFTH-WHEELS	42	32	+31%	317	353	−10%	9	7	+29%	98	101	− 3%

	FOR MONTH			YEAR-TO-DATE		
	NOV '85	NOV '84	% CHANGE	1985	1984	% CHANGE
SALES VOLUME	$6,807,161	$6,989,656	− 2%	$98,170,070	$97,404,139	+less than 1%
TOTAL UNIT SALES	367	389	− 6%	6,778	7,047	−4%
NEW UNIT SALES	217	222	− 2%	4,300	4,446	− 3%
USED UNIT SALES	150	167	−10%	2,478	2,601	− 5%

November was a *down* month—not much, but enough for most Dealer Advisory Board (DAB) members to feel the pinch. In dollars taken in and total units rolling over the curb, it was a straight minus situation. The decreases weren't large, but it is a definite indication that the market has weakened in the waning months of 1985, a condition that suggests 1986 will not be one of the better years for the industry.

Profit ratings were the poorest yet for the year, although they do not reflect panic selling. There were far more poor ratings than normal; however, many categories were rated fair or good.

A bright sign in individual categories is the fact that both travel trailers and fifth-wheels were up in new-unit sales for the month—in spite of the fact that both are down in year-to-date figures. Several DAB trailer dealers picked up additional units over last year.

Year-to-date, new motorhome sales for DAB members are still slightly ahead of last year. Pickup campers are doing the best of any type in terms of percentages. In dollars taken in, the 23 DAB members are still ahead of last year—but barely. The less-than-1 percent figure isn't much, but the fact that it is still a plus indicates that experienced, dedicated dealers are generally about where they were last year at this time.

MOTORHOMES

With few exceptions, DAB motorhome dealers were down from the previous November. Some percentage drops were horrendous, but the fact that unit numbers are small makes a drop of three or four in units translate to a drop of 50 percent in percentages.

Most of the larger motorhome specialists (with one exception) held close to last year's figures, but the smaller dealers took their lumps. A possible explanation is that larger dealers keep hammering away with advertising that brings in potential buyers.

An optimistic indicator for motorhomes is that new-unit sales for the year-to-date are still ahead of last year.

Motorhome profit ratings ranged from poor to good.

TRAVEL TRAILERS

It was a refreshing experience; about half the DAB members who stock travel trailers improved their new unit sales over the corresponding month of '84. Used units didn't fare as well. Year-to-date figures indicate that the average dealer is doing better than he really is. Only six DAB trailer dealers are up while 13 are down—some as much as 40 percent. The figures are distorted somewhat because a large trailer specialist on the board had enormously increased his sales.

Trailer profits were rated fair to good.

TRUCK CAMPERS

Figures for both new and used sales in November were exactly what they were for the corresponding month last year. Year-to-date, new unit sales are holding up well. Only three dealers reported new sales during the month. Two rated sales poor and the other rated them excellent.

CAMPING TRAILERS

The large-percentage drop in November reflects a decline of only seven units. The year-to-date figure isn't bad.

It has been an erratic year for DAB camping trailer dealers in general. While a few were up considerably, several others who usually have impressive numbers for the year were way down. Probably more than any other RV type, dealers run hot and cold on their emphasis and efforts on selling fold-downs.

Profits were generally poor.

FIFTH-WHEELS

DAB figures indicate an excellent month for both new and used fiver sales. The unit totals aren't large, but 31 percent for new and 29 percent for used definitely indicates a turn for the better. Dealers who carry a substantial inventory of fifth-wheels did well for the month. Perhaps the "snowbirds" (primary users of fivers) were more optimistic this year than last.

Profits were rated fair to good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, NOVEMBER

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during November 1985 was 23,500 units, down 17.0% from November 1984.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in Nov. 1985		Nov. 1984	Percent Change	Cumulative 1985	Cumulative 1984	Percent Change
TRAVEL TRAILERS	2,600	2,800	– 7.1%	52,300	63,000	– 17.0%
PARK MODELS	600	600	0%	7,000	6,600	+ 6.1%
FIFTH-WHEELS	1,300	1,200	+ 8.3%	19,500	18,500	+ 5.4%
TRUCK CAMPERS	400	200	+ 100%	6,600	7,300	+ 9.6%
MULTI-USE VEHICLES	11,800	14,500	– 18.6%	151,900	162,000	– 6.2%
TYPE A: MOTOR-HOMES	2,400	3,600	– 33.3%	31,800	38,900	– 18.3%
TYPE B: VAN CAMPERS	400	700	– 42.9%	6,200	6,600	– 6.1%
TYPE C: MINI MOTOR-HOMES	1,800	1,800	0%	27,300	31,100	– 12.2%
FOLDING CAMPING TRAILERS	2,200	2,900	– 24.1%	33,500	38,400	– 12.8%
TOTALS	23,500	28,300	– 17.0%	336,100	372,400	– 9.8%